

SC1251. SUBCHAPTER 1251  
COMPENSATION OF FOREIGN NATIONALS  
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- References: (a) [DoD Directive 1400.25](#), "DoD Civilian Personnel Management System," November 25, 1996
- (b) DoD 1416.8-M, "Manual for Foreign National Compensation," January 12, 1990
- (c) DoD Instruction 1416.8, "Compensation Programs for Foreign Nationals," December 5, 1980 (hereby canceled)
- (d) Department of State/Department of Agreement, Subject: "Agreement Concerning Joint Compensation Plans for Local Employees of the Department of State—United States Information Agency—Agency for International Development—Certain Designated Units of the Department of Defense—and the Foreign Agriculture Service and Other Designated Units of the Department of Agriculture," July 9, 1977

SC1251.1. PURPOSE

This Subchapter:

SC1251.1.1. Implements the Department of Defense (DoD) policy under DoD Directive 1400.25 (reference (a)) and delegates authorities and establishes basic principles for establishing compensation for foreign national employees;

SC1251.1.2. Authorizes DoD 1416.8-M (reference (b)), which prescribes the procedures and instructions for the administration of a foreign national compensation program; and

SC1251.1.3. Cancels DoD Instruction 1416.8 (reference (c)).

SC1251.2. APPLICABILITY AND SCOPE

This Subchapter applies to the Office of the Secretary of Defense, the Military Departments, the Chairman of the Joint Chiefs of Staff, the Combatant Commands, the Office of the Inspector General of the Department of Defense, the Defense Agencies, the DoD Field Activities, and all other organizational entities within the Department of Defense. Its provisions shall be used by those DoD Components who have responsibility for fixing compensation and conditions of employment for foreign national employees outside the United States, its territories, and possessions. This

policy does not apply to the Civilian Marine Personnel of the Military Sealift Command, to foreign national employees serviced by U.S. Embassies in accordance with the State Department and DoD Agreement (reference (d)), or to foreign national employees in Panama.

### SC1251.3. POLICY

It is DoD policy under DoD Directive 1400.25 (reference (a)) that these requirements are established for determining compensation and conditions of employment for foreign national employees:

SC1251.3.1. The average pay of foreign national employees of the U.S. Forces shall equal average pay of the non-U.S. Forces sector in the country concerned; and

SC1251.3.2. The total compensation of foreign national employees of the U.S. Forces shall equal total compensation of the non-U.S. Forces in the country concerned.

### SC1251.4. RESPONSIBILITIES

SC1251.4.1. The Assistant Secretary of Defense for Force Management Policy (ASD(FMP)), under the Under Secretary of Defense (Personnel and Readiness) shall:

SC1251.4.1.1. Maintain surveillance over the foreign national compensation program;

SC1251.4.1.2. Develop, publish, and revise DoD 1416.8-M (reference (b)); and

SC1251.4.1.3. Approve any valid exceptions to the provisions of DoD 1416.8-M (reference (b)).

SC1251.4.2. Civilian Personnel Management Service (CPMS) shall review survey reports and conduct evaluations of country compensation plans. CPMS shall serve as point of contact for technical advice and reference on requests for exception or alternate wage determination methodology for foreign national employee compensation.

SC1251.4.3. Heads of the DoD Components shall follow the procedures in DoD 1416.8-M (reference (b)), or an alternate wage determination methodology approved by the ASD(FMP) for foreign national employee compensation.

SC1251.4.4. DoD 1416.8-M (reference (b)) requires an annual report be forwarded to the ASD(FMP) to document the survey process and results. An

information copy shall also be submitted to the CPMS, 1400 Key Boulevard, Arlington, VA 22209. The Report Control Symbol is: DD-FM&P(A)1571.

## SC1251.5. PROCEDURES

### SC1251.5.1. Basic Principles

SC1251.5.1.1. Procedures for conducting a wage survey and administering a foreign national compensation program are in DoD 1416.8-M (reference (b)). The procedures are intended to satisfy overall DoD policy objectives. Where, because of individual circumstances, these procedures do not reflect the best approach, DoD Components may develop alternative procedures provided they satisfy DoD policy requirements.

SC1251.5.1.2. Alternative procedures must be approved by the ASD(FMP) before they may be implemented. Requests for approval to use alternative procedures must demonstrate that the alternative procedures achieve policy objectives and comply with sound pay setting practices. CPMS is available to provide preliminary technical advice on alternative methodology.

SC1251.5.1.3. Once approval is granted to make wage determinations using provisions other than those in DoD 1416.8-M (reference (b)), any deviations from the approved procedures must be approved by the ASD(FMP). These requests shall be processed through channels and include an analysis of all factors bearing on the request.

SC1251.5.2. Joint Committees. The procedures for establishing and operating joint committees or subcommittees necessary for the conduct of orderly business can be found in paragraph SC1231.4.5. of [Subchapter 1231](#), "Employment of Foreign Nationals," of this Manual.

## SC1251.6. DELEGATIONS

Section SC1231.5. of [Subchapter 1231](#), "Employment of Foreign Nationals," of this Manual contains the delegations to be followed under this Subchapter.